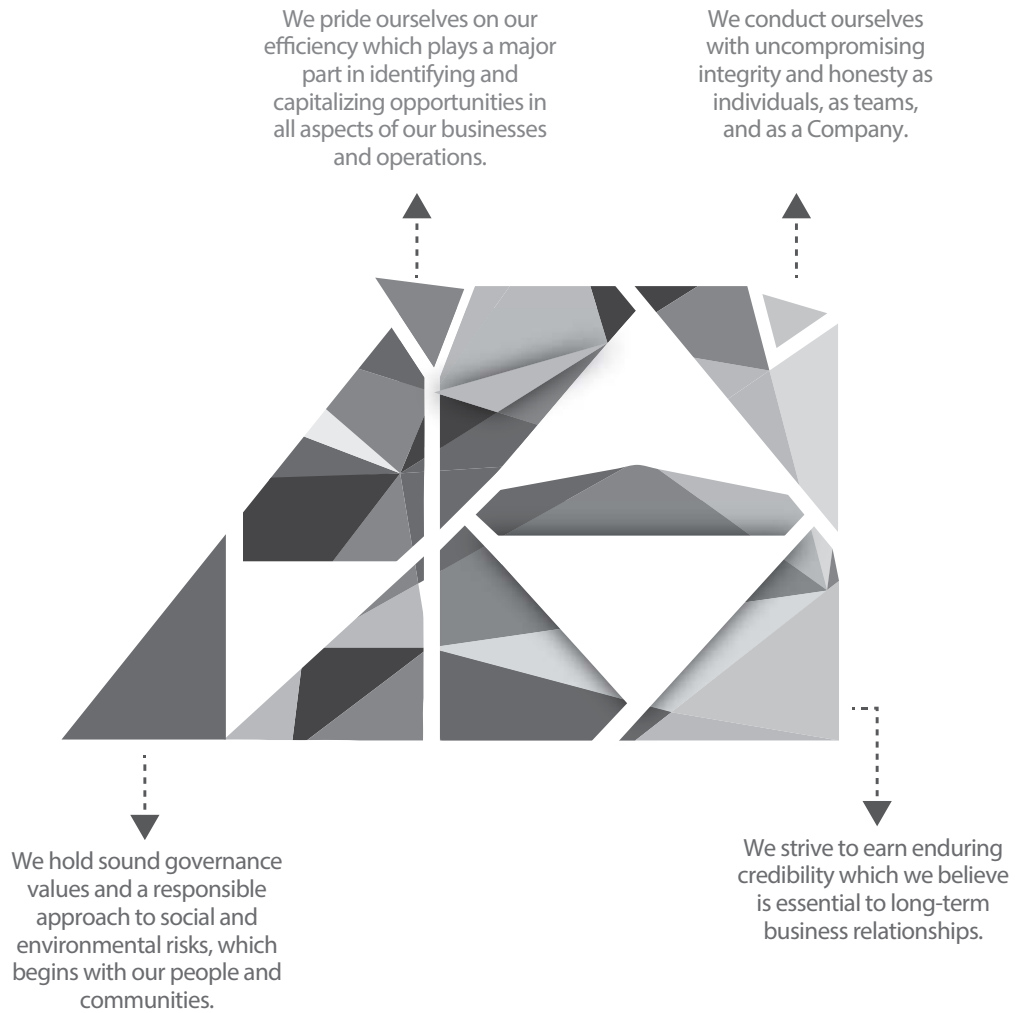


STRIVING TO REALIZE OPPORTUNITIES

QUARTERLY REPORT MARCH 31, 2017





STRIVING TO REALIZE OPPORTUNITIES

Arif Habib Limited (AHL) is constantly STRIVING TO REALIZE OPPORTUNITIES, albeit not compromising on our values.

Our theme for this year shows correlation between elements of the Company's logo and our core values; *Efficiency, Integrity, Social Responsibility* and *Credibility*. These values are embedded in our foundation and are the cornerstones of the Company. This has been illustrated in the image above.

We shall continue to strive and highlight these values in our daily business practices.

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CORPORATE INFORMATION

Board of Directors

Mr. Zafar Alam
Chairman & Non-executive Director

Mr. Muhammad Shahid Ali Habib
Chief Executive Officer & Executive Director

Mr. Ali Murtaza Kazmi
Independent Director

Mr. Haroon Usman
Non-executive Director

Dr. Muhammad Sohail Salat
Independent Director

Ms. Nida Ahsan
Non-executive Director

Ms. Sharmin Shahid
Non-executive Director

Audit Committee

Mr. Ali Murtaza Kazmi
Chairman

Mr. Haroon Usman
Member

Ms. Nida Ahsan
Member

Human Resource & Remuneration Committee

Mr. Haroon Usman
Chairman

Mr. Muhammad Shahid Ali Habib
Member

Ms. Nida Ahsan
Member

Company Secretary & CFO

Mr. Muhammad Taha Siddiqui

Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Credit Rating

JCR-VIS Credit Rating Company Limited

Legal Advisors

M/s. Bawaney & Partners

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registrar & Share Transfer Office

Share Registrar Department
Central Depository Company of Pakistan Ltd.
CDC House, 99-B, Block-B
S.M.C.H.S., Main Shakra-e-Faisal
Karachi-74400
Tel: Customer Support Services 0800-CDCPL
(23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Registered Office

Arif Habib Centre
23, M.T. Khan Road Karachi-74000
UAN: (92-21) 111-245-111
Fax No: (92-21) 32416072; 32429653
E-mail: info@arifhabibltd.com
Company Website: www.arifhabibltd.com
Online Trade: www.ahletrade.com
Branch Reg. No: BOA-050/01

DIRECTORS' REPORT



DIRECTORS' REPORT

Dear Fellow Members of Arif Habib Limited (AHL),

On behalf of the Board of Directors of AHL, I am pleased to present the Nine Month and Third Quarter Report of the Company, together with the financial statements for the period ended 31st March 2017.

Economic Review

During the nine months of the ongoing fiscal year, ending March 2017, Pakistan's overall economic conditions remained conducive for growth with SBP's key policy rate kept at record low of 5.75%. Improvement in investors' confidence was reflected in an increase in private sector credit offtake (up by 9% YoY) as well as a surge in imports of machinery (13% YoY) and raw materials that should point towards a robust industrial activity and a build-up in future productive capacity.

Based on latest data issued, Large Scale Manufacturing (LSM) index posted a growth of 4.1% YoY in the 8MFY17. The growth was attributable to a few key sectors a) Food & Beverages, b) Steel, c) Automobile, d) Paper & Board and e) cement sector.

On the external front, the import bill for 9MFY17 registered at USD 33.9 billion, displayed a 14% increase along with a 1.2% decline in exports (USD 16.1 billion), compared to USD 26.5 billion SPLY, pushing trade deficit to USD 15.4 billion. The Current Account Deficit (CAD) for 9MFY17 increased to USD 6.1 billion against USD 2.4 billion SPLY. Foreign currency reserves remain at a healthy level of USD 21.6 billion with a strong import cover of 4.4x and a resilient Pak rupee that stayed strong against the greenback with 0% depreciation, during the period. On the other hand, remittances continued their lacklustre trend with a 2.1% YoY decline during the 9MFY17 while inflation registered at an average of 4.0%.

Equity Market Review

The benchmark equity index (KSE-100) recorded a return of 27.45% during 9MFY17 to close at 48,155.93 level. Top performing sectors during the mentioned period remained Auto Assemblers (124%), Oil Marketing (90%), and Engineering (154%), Refinery (56%) and Banks (31%). Performance of the equity bourse during the period can be linked to i) all time low interest rate of 6.25% ii) higher investor confidence iii) double digit earnings growth expected in CY17, iv) on-track progress of CPEC projects, v) MSCI official reclassification expected in May 2017, thus rendering the equity market more lucrative. On the foreign front, net-sell of USD 482.54 million was recorded compared to net-sell of USD 8.36 million in the same period last year (SPLY). Volumes during 9MFY17 averaged at 373 million shares (9MFY16: 203 million), meanwhile valued traded improved by 51% YoY to USD147 million.

During 3QFY17 the market recorded a nominal return of 0.73% QoQ majorly led by uncertainty on Panama Case decision, investors' awaited changes in marginal financing system and incessant foreign outflows (USD 523 million). The revised leverage product has been approved by regulator, however, implementation modalities are still awaited. Volumes during 3QFY17 averaged at 347.50 million shares, meanwhile valued traded stood at 164 million.

Your Company's Performance

By the grace of Almighty Allah, your Company has continued to perform handsomely and achieved strong profitability during the 9MFY17. The Company has posted an after-tax-profit of PKR 887 million which is 215% higher than the corresponding period last year and translates into earnings per share of PKR 16.13 (9MFY16 PKR 5.13).

During the period under review, the brokerage division revenues have increased by 81% from the same period last year and posted a total brokerage revenue of PKR 292 million (PKR. 161.41 million same period last year). The Investment Banking division's revenues increased sizably, clocking in at PKR 212.39 million (PKR 124.01 million same period last year), due to the increase in the number of advisory transactions. The Company's investment portfolio has yielded, realized and unrealized, revenue of PKR 680.01 million (PKR 227.5 million same period last year).

The equity of the Company as at the balance sheet date is PKR 3.21 billion (June 2016: PKR 2.71 billion), which translates into a book-value per share of PKR 58.32 (June 30, 2016: PKR 49.19). The equity level increased even after the accounting for PKR 385 million reserves for cash dividends approved in the AGM held on September 24, 2016, which is a clear indication of the strong performance of the Company.

During the period under review, the Company has continued to be recognized by receiving international accolades from leading global financial publications. These include the Best Domestic Equity House award by Global Capital AsiaMoney, country awards for Best Equity House & Best Equity Deal from The Asset. It is worth mentioning that the award for Best Equity Deal was for last year's landmark transaction of Engro Fertilizers Limited's secondary share placement, which successfully raised PKR 19.3 billion and was the largest private sector equity capital market transaction in Pakistan. These recognitions continue to reinforce our placement in the industry both at home and abroad.

Future Prospects

The future prospects of your Company look promising on account of a rising market share in various business segments. The management is hoping to generate better volumes from the existing, as well as, seeking out new foreign and domestic clients, on account of improving relationships with institutional investors, as well as, key broker-dealers through a range of premium value-added services. This includes, but not limited to, offering new products and services through enhancing the Company's research and our strong understanding of the market and its developments.

The management is also eyeing increased activity on account of new equity and debt listings and M&A activities. The management is confident that the Company's investment portfolio will also keep generating better results going forward, as the market is expected to offer lucrative investment opportunities. Steps are also being taken to provide high quality research and value-added services to the Company's clients in order to improve the Company's business standards and offerings, as well as strengthening its brand even further.

Acknowledgement

We are grateful to the Company's shareholders for their continuing confidence and support. We thank all our Stakeholders, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan and the management of Pakistan Stock Exchange for their continuing support and guidance without which we would not have been able to pursue our strategy and achieve such business performance.

We acknowledge and appreciate the hard work put in by all the Employees of the Company during the period. We also commend the valuable contribution and active role of the Members of the Board Committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board of Directors,



Muhammad Shahid Ali Habib
Chief Executive Officer and Executive Director

Karachi.

Dated: **April 24, 2017**

CONDENSED INTERIM FINANCIAL INFORMATION

**Condensed Interim
Balance Sheet
AS AT MARCH 31, 2017**

	Unaudited March 31, 2017	Audited June 30, 2016
Note	Rupees	
ASSETS		
NON- CURRENT ASSETS		
Property and equipment	40,126,127	43,709,729
Intangible assets	10,281,501	17,797,902
Long term investments	214,968,920	209,342,551
Investment property	382,719,319	531,966,414
Long-term deposits	15,888,498	15,730,022
Deferred tax	-	21,476,825
	663,984,365	840,023,443
CURRENT ASSETS		
Short term investments	2,003,139,591	3,294,296,278
Trade debts - considered good	43,249,752	582,264,478
Receivable against Margin Financing	445,280,377	36,381,485
Short term loans - secured	3,841,253	945,649
Trade deposits and prepayments	168,310,906	155,369,117
Other receivables	215,042,466	347,821,352
Cash and bank balances	661,317,353	306,240,100
	3,540,181,698	4,723,318,459
TOTAL ASSETS	4,204,166,063	5,563,341,902

**Condensed Interim
Balance Sheet
AS AT MARCH 31, 2017**

	Unaudited March 31, 2017	Audited June 30, 2016
Note	Rupees	
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized Capital		
75,000,000 (June 2016: 75,000,000) ordinary of Rs.10/- each	<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital	<u>550,000,000</u>	550,000,000
Unappropriated profits	<u>2,642,407,908</u>	2,140,091,803
	3,192,407,908	2,690,091,803
Surplus on revaluation	15,432,500	15,432,500
LIABILITIES		
NON-CURRENT LIABILITIES		
Liabilities against assets subject to finance lease	1,368,782	1,878,241
CURRENT LIABILITIES		
Short term borrowings- secured	127,098,663	1,880,668,813
Current portion of liability subject to finance lease	687,187	687,187
Trade and other payables	720,088,533	406,969,260
Payable against purchase of securities- net	-	465,407,950
Markup accrued	21,265,901	41,758,563
Taxes payable -net	125,816,589	60,447,585
	994,956,873	2,855,939,358
CONTINGENCIES AND COMMITMENTS		
	12	
TOTAL EQUITY AND LIABILITIES	<u>4,204,166,063</u>	<u>5,563,341,902</u>

The annexed notes form an integral part of the condensed interim financial information.


Chairman


Chief Executive Officer

Condensed Interim Profit and Loss Account FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)

	Note	March 31,	March 31,	Third Quarter ended	
		2017	2016	March 31, 2017	March 31, 2016
		Rupees			
Operating revenue		590,039,194	361,831,604	240,456,578	125,423,996
Capital gain on sale of investments		821,430,413	100,751,255	520,093,102	38,624,867
Unrealized gain on remeasurement of investment property		32,279,270	-	32,279,270	-
Reversal of gain on re-measurement of investments		<u>(205,622,030)</u>	67,489,457	<u>(371,083,524)</u>	<u>(51,703,281)</u>
		<u>1,238,126,847</u>	530,072,316	<u>421,745,426</u>	112,345,582
Administrative and operating expenses		<u>(251,698,365)</u>	(180,568,283)	<u>(76,850,235)</u>	(60,228,078)
Finance costs		<u>(125,313,541)</u>	(120,137,929)	<u>(29,386,608)</u>	(44,416,068)
Other operating income	14	208,941,817	111,142,910	33,405,425	28,057,316
Profit before taxation		<u>1,070,056,758</u>	340,509,014	<u>348,914,008</u>	35,758,752
Taxation	15	<u>(182,740,653)</u>	(58,422,123)	<u>(83,387,838)</u>	(11,321,585)
Profit after taxation		<u>887,316,105</u>	<u>282,086,891</u>	<u>265,526,170</u>	<u>24,437,167</u>
Earning per share - basic and diluted		<u>16.13</u>	<u>5.13</u>	<u>4.83</u>	<u>0.44</u>

The annexed notes form an integral part of the condensed interim financial information.


Chairman


Chief Executive Officer

**Condensed Interim
Statement of Comprehensive Income
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)**

	March 31, 2017	March 31, 2016	Third Quarter ended March 31, 2017	March 31, 2016
	————— Rupees —————			
Profit after taxation	887,316,105	282,086,891	265,526,170	24,437,167
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>887,316,105</u>	<u>282,086,891</u>	<u>265,526,170</u>	<u>24,437,167</u>


Chairman


Chief Executive Officer

**Condensed Interim
Statement Of Changes In Equity
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)**

	Issued, subscribed & paid up capital	Unappropriated profits	Total
	Rupees		
Balance as at July 1, 2015	550,000,000	2,115,595,052	2,665,595,052
Cash dividend paid @ 70%, for the year ended June 30, 2015 (2014: 50%)	-	(385,000,000)	(385,000,000)
Total Comprehensive income for the nine months ended March 31, 2016	-	282,086,891	282,086,891
Balance as at March 31, 2016	<u>550,000,000</u>	<u>2,012,681,943</u>	<u>2,562,681,943</u>
Balance as at July 1, 2016	550,000,000	2,140,091,803	2,690,091,803
Cash dividend paid @ 70%, for the year ended June 30, 2016 (2015: 70%)	-	(385,000,000)	(385,000,000)
Total Comprehensive income for the nine months ended March 31, 2017	-	887,316,105	887,316,105
Balance as at March 31, 2017	<u>550,000,000</u>	<u>2,642,407,908</u>	<u>3,192,407,908</u>

The annexed notes form an integral part of the condensed interim financial information.


Chairman


Chief Executive Officer

Condensed Interim Cash Flow Statement

FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)

	Note	March 31, 2017	March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		Rupees	Rupees
Cash generated from / (used in) in operations	17	2,432,346,299	(1,046,625,536)
Taxes paid		(95,894,824)	(134,302,347)
Finance costs paid		(145,806,203)	(122,458,907)
Net cash generated from/(used) in operating activities		<u>2,190,645,272</u>	<u>(1,303,386,790)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(2,414,580)	(3,772,358)
Proceeds from disposal of property and equipment		58,582	718,156
Acquisition of intangible assets		(614,066)	-
Expenditure on investment property		(9,492,000)	(8,880,000)
Proceeds from disposal of long term investment		44,882,684	-
Proceeds from disposal of investment property		214,665,136	-
Dividends received		56,584,310	59,259,610
Long term deposits		(158,476)	(516,675)
Net cash generated from investing activities		<u>303,511,590</u>	<u>46,808,733</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
Rental paid against finance lease liability		(509,459)	537,008
Dividend paid		(385,000,000)	(385,000,000)
Net cash used in financing activities		<u>(385,509,459)</u>	<u>(384,462,992)</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,108,647,403</u>	<u>(1,641,041,049)</u>
Cash and cash equivalents at the beginning of the year		<u>(1,574,428,713)</u>	<u>(78,044,746)</u>
Cash and cash equivalents at the end of the year	18	<u>534,218,690</u>	<u>(1,719,085,795)</u>

The annexed notes form an integral part of the condensed interim financial information.


Chairman


Chief Executive Officer

Condensed Interim Selected Notes To The Financial Statements FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)

1 STATUS AND NATURE OF BUSINESS

- 1.1** Arif Habib Limited (the Company) is a public listed Company incorporated in Pakistan under the Companies Ordinance, 1984. The shares of the Company are quoted on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). The Company was initially incorporated as an unquoted public limited Company wholly owned by Arif Habib Corporation Limited (the Parent Company). Subsequently, the Parent Company offered its 25% share holding in the Company to general public and the Company obtained listing on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) on January 31, 2007.

The Company holds Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited. The principal activities of the Company are Investments, share brokerage, Inter bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.

- 1.2** The Parent Company, currently holds 64.20% shares of the Company.

- 1.3** The Securities and Exchange Commission of Pakistan vide its letter No. EMD/233/683/2007-288 dated September 16, 2016 and EMD/233/683/2007-351 dated October 06, 2016 has granted exemption to the Company from preparation of the Consolidated Financial Statements for its subsidiaries namely M/s. Arif Habib Commodities (Pvt.) Limited and M/s. Arif Habib 1857 (Pvt.) Limited respectively. The financial statements of the said subsidiaries are consolidated by the ultimate holding Company i.e. Arif Habib Corporation Limited. The financial statements of the subsidiary company are available for inspection at the Company's registered office and available to the members upon request free of any cost.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statement of the Company for the nine months period ended March 31, 2017 have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provision and directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statement are being submitted to the shareholders as required under section 245 of the companies Ordinance, 1984 and the listing regulation of the Stock Exchanges of Pakistan.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2017 and 2016 have not been reviewed by the external auditors of the company as they have reviewed the cumulative figures for the half year ended December 31, 2016. These condensed interim financial statements do not include all the information as required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2016.

This Condensed interim financial statements comprise of the balance sheet as at March 31, 2017 and profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the period ended March 31, 2017.

The condensed interim financial statements are presented in Pakistan rupee which is the functional currency of the company and rounded off to the nearest rupee.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2016.

Amendments to certain existing standards and new interpretation on approved accounting standards that become effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2016.

Condensed Interim Selected Notes To The Financial Statements FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)

5 PROPERTY AND EQUIPMENT

During the period ended March 31, 2017, addition made amounting to PKR 2.414 million (June 2016: PKR 4.580 million) which comprised of computer and allied. Written down value of computer and allied of PKR 0.106 million were sold for PKR 0.059 million. (June 2016: WDV of PKR 0.783 million were sold for PKR 0.725 million).

	March 31, 2017	June 30, 2016
6 INVESTMENT PROPERTY	Note	Rupees
Carrying value	531,966,414	511,639,974
Disposals during the period	(191,018,365)	-
Addition during the period	9,492,000	19,290,000
	350,440,049	530,929,974
Increase in fair value - net	32,279,270	1,036,440
	382,719,319	531,966,414

7 DEFERRED TAX

Deferred tax amounting to PKR 21.477 million was utilized after reversal of provision for workers' welfare fund as disclosed in note 13. Additionally, net deferred tax asset to the extent of PKR 193.377 million (June 30, 2016: PKR 202.742 million) has not been recognized owing to uncertainty around its recoverability.

8 TRADE DEBTS

8.1 Treatment of amount receivable from customers

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

8.2 The Company holds equity securities having fair value of PKR 43,446 million (June 2016: PKR 49,933 million) owned by its clients, as collaterals against trade debts.

	March-17		June-16		June-16	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not past due	12,477,013	-	513,438,244	-	513,438,244	-
Past due 1 day - 30 days	34,791,295	-	16,248,472	-	16,248,472	-
Past due 31 days - 180 days	7,843,353	-	26,775,913	-	26,775,913	-
Past due 181 days - 1 year	4,014,850	-	475,614	-	475,614	-
More than one year	858,741,241	874,618,000	899,944,235	874,618,000	899,944,235	874,618,000
	917,867,752	874,618,000	1,456,882,478	874,618,000	1,456,882,478	874,618,000

9 CASH AND BANK BALANCES

	March 31, 2017	June 30, 2016
9 CASH AND BANK BALANCES	Note	Rupees
Cash in hand		23,585
Cash at Bank		1,450,799
<i>in current accounts</i>		12,916,147
<i>in savings accounts</i>	9.1	293,300,368
		306,216,515
		661,317,353
		306,240,100

9.1 This includes customer's bank balances held in designated bank accounts amounting to PKR 599.472 million.

Condensed Interim Selected Notes To The Financial Statements FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)

10 SHORT TERM BORROWINGS - SECURED

10.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements which represents the aggregate of sale prices of all mark-up agreements between the Company and the banks

10.2 Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	Number of securities	Amount (Rupees)
Client	68,400,000	2,675,216,000
House	9,001,500	210,897,133
Total	77,401,500	2,886,113,133

11 TAXES PAYABLE -NET

The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 at the rate of ten percent on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital, so much of its reserves as exceed the threshold shall be treated as income of the said company. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2017 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed unconsolidated interim financial information.

12 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There were no change in contingencies at the period end as disclosed in the financial statements for the year ended June 30, 2016 other than the settlement of legal dispute by Supreme Court as disclosed in note 14.

	March 31, 2017	June 30, 2016
	Rupees	

COMMITMENTS

Following commitments are outstanding as at the year end.

- Outstanding Settlements to NCCPL against Marginal Trading contracts	1,104,193,883	1,806,919,064
- Outstanding Settlements to NCCPL against purchase of securities in regular market.	467,872,876	471,058,025
-Guarantee given by a commercial bank on behalf of the Company	250,000,000	100,000,000

13 Income from dividend for the period ended March 31, 2017 amounts to PKR 64.276 Million.

14 OTHER INCOME

This includes reversal of worker's welfare fund charged in prior years amounting to Rs. 69.28 million resulting from Supreme Court Order dated September 27, 2016 which revoked amendments made in finance act 2006 and 2008 that broadened the scope of obligation on industrial establishment to contribute towards workers' welfare fund. Supreme Court revoked the amendments pronouncing that contribution towards workers' welfare fund constitutes a fee and not a tax hence the said amendments cannot be made through finance acts.

Condensed Interim Selected Notes To The Financial Statements FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)

15	TAXATION	Note	March 31, 2017	March 31, 2016
		Rupees		
	Current tax		170,230,890	58,755,784
	Prior		(8,967,062)	-
			161,263,828	58,755,784
	Deferred	15.1	21,476,825	(333,660)
			<u>182,740,653</u>	<u>58,422,124</u>

15.1 This relates to reversal of deferred tax asset recognized on provision for worker's welfare fund charged in prior years.

16	RELATED PARTY DISCLOSURE	March 31, 2017	March 31, 2016
		Rupees	
	Brokerage commission and other services to:		
	Parent	3,225,068	6,551,038
	Group companies	19,701,103	3,589,164
	Key management personnel	5,010,086	841,916
	Other related Party	9,090,559	5,440,368
	Dividend paid to related parties	282,191,707	232,538,545
	Rent paid to associate	15,673,680	15,673,860
	Markup expense on advance from parent company	-	41,819,635
	Markup income on advance to related parties	-	663,225
	Remuneration to Chief Executive Officer	22,257,900	6,580,562
	Remuneration to other directors	450,000	6,947,615
	Contribution to staff provident fund	2,371,428	1,946,798

17	CASH GENERATED FROM / (USED IN) OPERATIONS:	March 31, 2017	March 31, 2016
		Rupees	
	Profit before taxation	1,070,056,758	340,509,014
	Adjustments for:		
	Depreciation	5,902,390	6,534,922
	Amortization of intangible asset	629,936	649,258
	Gain on disposal of investment property	(23,646,771)	-
	Loss on disposal of property and equipment	37,741	51,459
	Impairment Loss on intangible asset	7,500,000	-
	Unrealized gain on re-measurement of long term investments	(29,670,664)	-
	Unrealized gain on re-measurement of investment property	(32,279,270)	-
	Gain on disposal of long term investment	(20,838,389)	-
	Dividend income	(64,275,853)	(58,744,175)
	Recovery of bad debts written off	(30,236,570)	(670,868)
	Finance costs	125,313,541	120,137,929
		<u>(61,563,909)</u>	<u>67,958,525</u>
	Cash generated from operating activities before working capital changes	1,008,492,849	408,467,539
	Effect on cash flow due to working capital changes (Increase)/decrease in current assets		
	Short-term investments - net	1,291,156,687	(1,452,481,539)
	Trade debts - consider good	569,251,296	(74,475,587)
	Receivable against Margin Financing	(408,898,892)	10,862,550
	Short term loans	(2,895,604)	2,035,908
	Deposits and short-term prepayments	(12,941,789)	213,902,864
	Other receivables	140,470,429	11,751,200
	Increase/(decrease) in current liabilities		
	Trade and other payables	313,119,273	(122,130,076)
	Payable against purchase of securities- net	(465,407,950)	(44,558,395)
	Cash generated from / (used in) operations	<u>1,423,853,450</u>	<u>(1,455,093,075)</u>

Condensed Interim Selected Notes To The Financial Statements FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017 (UNAUDITED)

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:

	March 31, 2017	March 31, 2016
	Rupees	
Cash and bank balances	661,317,353	340,434,564
Short term borrowings	<u>(127,098,663)</u>	<u>(2,059,520,359)</u>
	<u>534,218,690</u>	<u>(1,719,085,795)</u>

19 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2016.

20 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on April 24, 2017.

21 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation, the effect of which are not material.


Chairman


Chief Executive Officer

Categories of Shareholders	Shareholders	Shares Held	Percentage	
Directors and their spouse(s) and minor children				
ZAFAR ALAM	1	500	0.00	
MUHAMMAD SHAHID ALI HABIB	1	732	0.00	
SHARMIN SHAHID	1	916	0.00	
HAROON USMAN	1	1,298	0.00	
ALI MURTAZA KAZMI	1	500	0.00	
NIDA AHSAN	1	916	0.00	
MUHAMMAD SOHAIL SALAT	1	500	0.00	
Associated Companies, undertakings and related parties				
M/S. ARIF HABIB CORPORATION LIMITED	2	35,307,737	64.20	
Executives				
	-	-	-	
Public Sector Companies and Corporations				
	1	46,184	0.08	
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds				
	7	775,445	1.41	
Mutual Funds				
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	710,000	1.29	
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	400,000	0.73	
CDC - TRUSTEE APF-EQUITY SUB FUND	1	82,000	0.15	
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	557,000	1.01	
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	375,000	0.68	
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	348,000	0.63	
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SL	1	500,000	0.91	
General Public				
a. Local	3171	11,061,805	20.11	
b. Foreign	3	24,100	0.04	
Foreign Companies				
	2	962,000	1.75	
Others				
	73	3,845,367	6.99	
Totals		3273	55,000,000	100.00

Share holders holding 5% or more	Shares Held	Percentage
M/S. ARIF HABIB CORPORATION LIMITED	35,307,737	64.20

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
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-  Online Quizzes



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